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ADMINISTRATIVE REPORT

Report Date: February 7, 2012
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VanRIMS No.: 08-2000-20
Meeting Date: February 28, 2012

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Grant to Atira Women's Resource Society: 106 West Hastings Street (Argyll Hotel)

*RECOMMENDATION **

THAT Council approve a grant of \$235,000 towards the renovations and reopening of the 47 room Argyll Hotel at 106 West Hastings Street (PID: 003-413-209 and PID: 003-414-825; Lot 21 and the east 24.5 feet of Lot 20, Block 28, District Lot 541, Plan VAP210);

FURTHER THAT the grant be subject to execution and registration of Atira's lease agreement for the building; source of funding is the SRA Reserve (\$170,000) and the Affordable Housing Reserve (\$65,000).

*REPORT SUMMARY **

This report seeks approval of a capital grant of \$235,000 (\$5,000 per unit) towards the renovation and reopening of a 47 room Single Room Accommodation (SRA) building in the Downtown Eastside at 106 West Hastings Street on the condition the rooms be prioritized for the street and sheltered homeless, consistent with Council's Affordable Housing and Homelessness Strategy.

*COUNCIL AUTHORITY/PREVIOUS DECISIONS **

On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021 which includes Strategic Direction 1: Increase the supply of affordable housing and Strategic Direction 2: Encourage a housing mix across all neighbourhoods that enhances quality of life. The 3-Year Action Plan 2012-2014 identifies priority actions

to achieve some of the Strategy's goals. The priority actions that relate to this grant request are to optimize the City's use of capital grants to lever and support housing partnerships; and to protect, update, and enhance existing Single Room Occupancy hotels (SROs).

The approval of grants requires that eight members of council vote in the affirmative.

*CITY MANAGER'S/GENERAL MANAGER'S COMMENTS **

This project enables the City an opportunity to partner with Atira Women's Resource Society to provide much needed affordable housing for street and sheltered homeless at the shelter component of welfare.

The General Manager of Community Services RECOMMENDS approval of the foregoing.

REPORT

*Background/Context **

Council policy is to preserve and maintain a stock of market rental housing, and to maintain and increase the stock of affordable and social housing in the city. The City's social housing priorities are the homeless, those at risk of homelessness, low and moderate income families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill and physically disabled.

In situations where the development or renovation of non-market housing projects are not viable, or where a City contribution will assist in meeting the needs of low income and core-need households, Council has provided capital grants to non-market sponsors. Such contribution help ensure the projects can proceed, and help ensure that rents in these properties can be reduced to be affordable to low income or core-need income households.

Atira Women's Resource Society (Atira) is a non-profit organization established in 1983 providing a range of housing and services to women who are marginalized. Their programs include counselling, legal advocacy, addictions recovery, and employment training. They also operate 14 housing projects for both men and women.

*Strategic Analysis **

The subject site, the Argyll Hotel, is designated under the Single Room Accommodation (SRA) By-law and is located on the southwest corner of Abbott Street and West Hastings Street. The building and the land are currently owned by PSP Management Inc.; Atira has signed a five (5) year lease agreement for the building with two 5 year extension options at Atira's discretion. The lease agreement is registered on title, thus a change in ownership will not affect Atira's lease. The funds requested in this report will permit Atira to renovate and reopen the much needed rooms at the Argyll Hotel and enable Atira to set tenant contribution for rent at the shelter component of welfare (currently \$375/month) for the duration of the lease agreement.

This grant is subject to priority being given to tenants who are street and sheltered homeless. COV and BCH have partnered on HEAT, Winter Response and interim shelters to create over 500 shelter spaces. Some of these spaces will stay open to keep people sheltered whilst the remaining 14 sites supportive housing units are constructed and completed within the next few years. The 2011-12 Winter Response shelter spaces are due to close after the end of winter and so the timing of the opening of this hotel aligns with that anticipated closure, which will allow for the timely transition of these sheltered homeless.

2011 Vancouver Homeless Population ¹	
Sheltered Homeless	1460
(HEAT Shelters)	(340)
(Interim & Winter Response 2011-12)	(198)
Street Homeless	145
Total Homeless	1605

The Argyll Hotel has been vacant for four (4) years and contains 47 rooms, 10 of which have private bathrooms. A new roof was installed in the summer of 2010 and the building also contains a new sprinkler system and hardwired fire-alarms. Atira's renovation plans for the building includes new plumbing, the addition of a common kitchen, and a new laundry room. The additions can both be accommodated without the loss of any sleeping rooms. A building permit has been issued by the City of Vancouver and once funding is in place, renovation work on the building can begin immediately.

The Housing and Homelessness Strategy 2012-2021 identifies a need for 5,000 social housing units of which 1,000 should be SRO replacement units. If this grant is approved then this target will change to 953 SRO replacement units. The units will be managed by Atira (non-profit housing provider) and are therefore considered to be replacement units as they are protected as low-income housing stock. However, they will still have to be replaced as self-contained units in the future.

The following table is a tracking table for SROs and shows the net changes of SRO (private market) and social housing units (non-market) by sub area. This table has not yet been updated with information from the 2011 bi-annual Low Income Housing Survey and so is using 2010 data. The 2011 data is expected to be published in the spring of 2012.

¹ 2011 Regional Homeless Count

Sub-Area	Change from 2003 to 2010						TOTAL
	SRO (private market)			Social Housing (non-market for singles)			
	2003	2010	Change	2003	2010	Change	
Downtown Eastside	5,273	3,827	-1,446	3,899	5,463	1,564	118
Downtown South	784	544	-240	808	1,063	255	15
Rest of Downtown Core	433	30	-403	187	409	222	-181
TOTAL	6,490	4,401	-2,089	4,894	6,935	2,041	-48

If this grant is approved, the above table would be amended with an increase of 47 SRO units in the Downtown Eastside in 2012.

The total cost of renovations for the Argyll Hotel is estimated at \$986,468, should the grant be approved, the City's contribution would be approximately 24% of the overall costs of renovations. In addition to the grant request from the City, Atira has requested capital funding from Streethome Foundation. BC Housing has agreed to provide an operating subsidy of \$235,000/year to the project.

Staff recommend that Council approve a grant of \$235,000 (\$5,000 per unit) to Atira to facilitate the renovation and reopening of the Argyll Hotel. Subject to Council approval, the City will be providing support to this project through this grant.

Implications/Related Issues/Risk (if applicable)

*Financial **

The source of funds for the City's grant of \$235,000 to Atira would be the SRA Reserve (\$170,000) and the Affordable Housing Reserve (\$65,000).

*CONCLUSION **

The Managing Director of Social Development recommends that the City provide a grant to Atira Women's Resource Society towards the renovations and reopening of the Argyll Hotel at 106 West Hastings Street to add affordable housing for street and sheltered homeless back to the current stock in the Downtown Eastside.

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